

1-file  
1-SOURCE

file

Central Intelligence Agency



Washington, D.C. 20505

DATE 86/02/06

DOC NO EURM86-20014

OCR 3

P&PD 1

Western Europe and Canada: Actions Affecting US Sanctions  
Against Libya

4 February 1986

This paper was prepared by the West European Division, Office of European Analysis. Questions and comments are welcome and may be addressed to   
 Chief, West European Division

25X1

25X1

25X1

25X1

25X1

EUR M86-20014

25X1

## AUSTRIA

Actions Supporting US Sanctions

--Vienna said it will advise Austrian firms not to undercut US sanctions. [REDACTED]

25X1

--It also decided to require visas for holders of Tunisian passports and -- according to press reports -- possibly for some Arab diplomats. [REDACTED]

25X1

--It made demarches in Tripoli, Teheran and Damascus requesting clarification of their possible support for terrorism. [REDACTED]

25X1

--In response to Libyan disclaimers of the Vienna and Rome airport attacks and terrorism in general, Foreign Minister Gratz said publicly that actions must now follow words. [REDACTED]

25X1

Actions Undermining US Sanctions

--Vienna has refused to take part in the sanctions against Libya, claiming that Austria, as a neutral, could only participate in sanctions applied by the UN Security Council. [REDACTED]

25X1

--Senior Austrian officials, especially Interior Minister Blecha, have publicly said that interrogations of the terrorists involved in the Vienna airport attack implicated Syria and Iran, not Libya. [REDACTED]

25X1

25X1

BELGIUM

Actions Supporting US Sanctions

--Belgian officials have told US representatives they will work in concert with the EC to fight terrorism and will discourage Belgian firms from replacing US firms departing from Libya. [REDACTED]

25X1

25X1

--The Belgian Foreign Ministry is considering a reduction in the Libyan presence in Brussels to the level of Belgium's in Tripoli. [REDACTED]

25X1

--Brussels is also considering tightening control over the movement of Libyan diplomats. [REDACTED]

25X1

Actions Undermining US Sanctions

--Government officials have stated that Brussels will continue to follow its traditional policy opposing economic sanctions. [REDACTED]

25X1

--Despite government calls to cancel its visit, a private Belgian trade delegation last week visited Tripoli. [REDACTED]

25X1

25X1

CANADA

Actions Supporting US Sanctions

--Ottawa has offered strong rhetorical support for US actions and urged Canadian firms not to undercut sanctions; in addition, it has called on Japan and the EC to be tougher on Libya and decried "limp" European reaction. [REDACTED]

25X1

--The government also has cancelled export insurance for business with Libya and banned the export of some oil and gas equipment. [REDACTED]

25X1

--Alberta's premier strongly supported US actions and urged provincial workers not to replace Americans. [REDACTED]

25X1

--Recent polls showed Canadians were in favor of Ottawa implementing tougher economic sanctions. [REDACTED]

25X1

Actions Undermining US Sanctions

--An employment agency in Calgary announced it was swamped with calls asking for jobs in Libya, but the US Embassy in Ottawa reports most of the applicants are unqualified. [REDACTED]

25X1

25X1

25X1

DENMARK

Actions Supporting US Sanctions

[Redacted]

25X1

--Copenhagen favors strong international action against terrorism. [Redacted]

25X1

[Redacted]

Actions Undermining US Sanctions

25X1

--Foreign Minister Ellemann-Jensen has publicly said he doubts the efficacy of economic sanctions. [Redacted]

25X1

--Denmark has indicated that it would only implement economic sanctions as part of an EC-wide policy. [Redacted]

25X1

[Redacted]

25X1

25X1

FINLAND

Actions Supporting US Sanctions

--None

25X1

Actions Undermining US Sanctions

25X1

--Helsinki will not impose economic sanctions against Libya; it would reconsider only if a wide international consensus develops or if the UN Security Council recommends.

--Government officials have publicly rejected the use of economic sanctions as means of dealing with terrorism.

25X1

25X1

25X1

FRANCE

Actions Supporting US Sanctions

--In comments to reporters after his meeting with Deputy Secretary Whitehead, Foreign Minister Dumas confirmed that France would not try to benefit from the US withdrawal from Libya. He also said that the EC was intent on "accentuated cooperation" in the fight against terrorism. In addition, Dumas said publicly on 26 January that France favors a "merciless war against terrorism."

25X1

25X1

25X1

25X1

25X1

## GREECE

Actions Supporting US Sanctions

- Athens has condemned terrorism in general terms. [ ] 25X1
- It has taken measures to prevent terrorist incidents in Greece by reinforcing already-tight security measures at Athens airport and expanding efforts to police the large Arab community in Athens. [ ] 25X1
- At the request of the US, the Greeks have spoken with the Syrians about Abu Nidal's operations in Damascus. [ ] 25X1
- Foreign Minister Papoulias told US officials privately that Greece is not now selling arms to Libya nor would it in the future. [ ] 25X1

Actions Undermining US Sanctions

- A Greek government spokesman, in response to press queries, said publicly that Greece is "making full use" of its economic agreement with Libya, including the possibilities for arms sales. [ ] 25X1
- Athens also has said publicly that it would not apply economic sanctions against Libya. [ ] 25X1
- Greece -- in cooperation with Spain, France, and Italy -- successfully blocked the inclusion of any specific reference to Libya in the joint EC statement on terrorism. [ ] 25X1
- Foreign Minister Papoulias, as well as Greek political leaders, received the Libyan Deputy Foreign Minister on 17 January. [ ] 25X1
- Foreign Minister Papoulias stated publicly on 21 January that no Greek government official recognizes the involvement of Qadhafi in terrorist attacks. Moreover, he claimed Greece had evidence that Qadhafi was not involved in the terrorist attacks at the Rome and Vienna airports. [ ] 25X1
- Prime Minister Papandreou said in a news conference in New Dehli on 27 January that Greece would not allow US bases in Greece to be used in the event of a US attack against Libya. He also reiterated his opposition to US sanctions against Libya. [ ] 25X1

25X1



ICELAND

Actions Supporting US Sanctions

--None

25X1

Actions Undermining US Sanctions

--The government rejected participation in trade sanctions  
against Libya.

25X1

25X1

IRELAND

Actions Supporting US Sanctions

--Dublin has made no official statements on US sanctions, but has supported recent EC actions on terrorism.

25X1

25X1

Actions Undermining US Sanctions

--Opposition Fianna Fail Party leader and former Prime Minister Haughey has publicly condemned US sanctions.

25X1

25X1

25X1

25X1

## ITALY

Actions Supporting US Sanctions

--Prime Minister Craxi extended a 1981 ban on new "dangerous" arms sales to Libya to include all military equipment and the completion of existing contracts. [REDACTED]

25X1

25X1

--Craxi stated on 9 January that he will order Italian public-sector companies not to step in behind vacating US firms in Libya, and he will apply moral suasion to prevent private firms from doing so. [REDACTED]

25X1

--The Italian government initiated a study of its economic and political ties with Libya with the declared aim of gradually reducing those ties in the future. [REDACTED]

25X1

--Craxi made a firm statement condemning state-supported terrorism on 28 January, specifically citing both Libya and Syria. [REDACTED]

25X1

--Craxi has refused to assure Qadhafi that he will deny the United States the use of Italian bases for a military attack on Libya in return for Qadhafi's alleged promise to dissuade other Arab nations from carrying out terrorist acts in Italy. Craxi has also rejected Maltese offers to arrange a meeting with Qadhafi. [REDACTED]

25X1

25X1

LUXEMBOURG

Actions Supporting US Sanctions

--Luxembourg called for the EC to specifically mention Libya as a country that sponsors terrorism. [REDACTED]

25X1

--The government sent a letter to the Luxembourg Chamber of Commerce advising its members not to take advantage of economic opportunities in Libya caused by departing US firms. [REDACTED]

25X1

Actions Undermining US Sanctions

--None [REDACTED]

25X1

NETHERLANDS

Actions Supporting US Sanctions

--The Hague claims it is discouraging Dutch firms from replacing US companies in Libya. [REDACTED] 25X1

--The government also plans to use its EC presidency to lobby for a community-wide arms embargo directed specifically against Libya and to revive an EC working group on airport security. [REDACTED] 25X1

Actions Undermining US Sanctions

--Government officials have publicly said that economic sanctions will not hurt the Libyan economy enough to alter Qadhafi's support for terrorists. [REDACTED] 25X1

--The Dutch Foreign Minister has been particularly outspoken in his criticism about the lack of US consultations prior to imposition of sanctions and has repeatedly expressed fears that US sanctions might sour relations in the Atlantic Alliance. [REDACTED] 25X1

NORWAY

Actions Supporting US Sanctions

--Oslo has assured US officials that it will attempt to persuade Norwegian businesses and technicians not to replace Americans leaving Libya. [REDACTED]

25X1

--The government has restated its long-standing ban on military sales to Libya. [REDACTED]

25X1

Actions Undermining US Sanctions

--Oslo has publicly questioned the effectiveness of economic sanctions and has refused to implement sanctions of its own. [REDACTED]

25X1

PORTUGAL

Actions Supporting US Sanctions

25X1

--Lisbon has publicly condemned "blind terrorism." [REDACTED]

25X1

Actions Undermining US Sanctions

--Foreign Minister Pires de Miranda publicly emphasized that Portugal would support unified EC action, but would not act alone. He argued that economic sanctions do not work, and that Portugal is too small and vulnerable to be able to take independent action. [REDACTED]

25X1

--Pires de Miranda has clarified earlier confusion about the use of Lajes Air Base and told US Embassy officials that Portugal would not accept the use of Lajes by the US for military action against Libya without Portuguese authorization. [REDACTED]

25X1

25X1

SPAIN

Actions Supporting US Sanctions

--A Foreign Ministry official stated publicly on 8 January that Spain is against terrorism as a matter of principle and is willing to take any measures agreed upon by the European Community. [REDACTED]

25X1

--Another Foreign Ministry official stated publicly on 11 January that movements of Libyans in Spain are being closely watched. Spain now requires visas for Libyans entering the country. [REDACTED]

25X1

Actions Undermining US Sanctions

--Foreign Minister Fernandez Ordonez has stated publicly that Spain is "in principle and as a general rule" opposed to embargoes and economic sanctions due to their ineffectiveness. [REDACTED]

25X1

[REDACTED]

25X1

--Madrid opposed the inclusion of a reference to Libya in the EC declaration on terrorism that resulted from the EC Council of Ministers meeting 20-21 January 1986. [REDACTED]

25X1

[REDACTED]

25X1



SWEDEN

Actions Supporting US Sanctions

--Stockholm will continue to prohibit arms exports to the region. [REDACTED] 25X1

Actions Undermining US Sanctions

--The government has publicly said that, as a neutral country, Sweden will not participate in economic sanctions unless they are approved by the United Nations. [REDACTED] 25X1

--Government officials have told US Embassy officers that Stockholm lacks authority to prevent private Swedish firms from filling in for departing US companies. [REDACTED]

25X1

SWITZERLAND

Actions Supporting US Sanctions

--Bern has tightened border controls and visa requirements for Libyans, and plans to limit the size and activities of Libyan missions. It has also expressed willingness to increase international cooperation against terrorism. 25X1

--Government officials claim they will try to stop Swiss firms from filling in gaps created by US companies departing from Libya. 25X1

--Bern has made public its already-existing policy of not approving arms exports to Libya. 25X1

Actions Undermining US Sanctions

--Swiss officials have publicly said the government will not apply economic sanctions. 25X1

**TURKEY**

**Actions Supporting US Sanctions**

--A Turkish official claimed to US Embassy representatives in Ankara on 14 January that Turkey has "quietly limited" dealings with Libya by avoiding transfers of arms, ammunition, high technology, and petroleum technology; it is unclear what this implies for Turkish military construction projects in Libya. [REDACTED]

25X1

--Ambassador Elekdag told Assistant Secretary Ridgeway that Turkey's economic relations with Libya are declining and he "believed" Turkey would not try to fill in for Americans who leave Libya. [REDACTED]

25X1

--Elekdag also said Turkish training of Libyan military personnel is gradually being phased out, with no more trainees to be accepted once 36 Libyan cadets finish schooling at the Turkish naval academy. [REDACTED]

25X1

**Actions Undermining US Sanctions**

--On the fringes of the Islamic Conference meeting in Morocco on 8 January, Foreign Minister Halefoglu met with the Libyan Foreign Minister, and according to a press report, said that isolating Libya would be against the best interests of the West. [REDACTED]

25X1

--Prime Minister Ozal told the press on 10 January that Turkey would have to review President Reagan's request for sanctions in the light of its own good relations with Libya. [REDACTED]

25X1

--President Evren's 16 January reply to President Reagan's letter suggested that Turkey will not apply sanctions, arguing that Turkey's current relationship with Libya is mainly economic and does not involve weapons and ammunition sales or petroleum technology exports. [REDACTED]

25X1

--Following Deputy Secretary Whitehead's visit, Prime Minister Ozal was quoted in the press as saying that Turkey would not agree to a proposal to stop buying oil from Libya because it is "unthinkable" for Turkey to sever its trade relations with Libya. He said Turkey would trade with everyone in accordance with Ataturk's principle of "peace at home, peace in the world." Ozal also said it was not true that there was agreement on the isolation of Libya, as the Deputy Secretary reportedly claimed. [REDACTED]

25X1

UNITED KINGDOM

Actions Supporting US Sanctions

--British diplomats reaffirmed to US officials their resolve to fight terrorism and said London would encourage other Allies to take steps similar to those taken by the UK after the shooting at the Libyan Embassy in 1984. [REDACTED]

25X1

--They also said London would discourage British companies from replacing US firms and specialists. [REDACTED]

25X1

--Finally, they said London will work for an EC-wide arms embargo against Libya while expressing public support for US efforts to oppose state-sponsored terrorism and explicitly identify Libya as a guilty party. [REDACTED]

25X1

25X1

WEST GERMANY

Actions Supporting US Sanctions

--Bonn has said that it will not export arms to Libya and that it will apply strict criteria to requests for licenses to export Cocom items to Libya. On dual-use high technology products, West German authorities have said they will check carefully to ensure the primary use is not military. [REDACTED]

25X1

--Bonn claims it has undertaken intensive, high-level talks with German industry to ensure that firms do not undercut US sanctions. [REDACTED]

25X1

--Bonn will provide export credit guarantees only to West German companies that declare they are not falling in behind US firms. In addition, the government will limit future export credit guarantees to \$7.5 million per contract, and will not provide export credit guarantees for US equipment included in German exports. [REDACTED]

25X1

--Government officials have indicated that the Libyan presence in Bonn is being more carefully monitored by German authorities. Bonn also is more carefully reviewing visa requests by Libyans. [REDACTED]

25X1

Actions Undermining US Sanctions

--Various government officials have publicly stated their belief that economic sanctions do not work and that West Germany will not take part in them. [REDACTED]

25X1

[REDACTED]

25X1

25X1

EUROPEAN COMMUNITY

Actions Supporting US Sanctions

--EC Foreign Ministers decided to ban the export of arms or other military equipment to countries which are clearly implicated in supporting terrorism. [REDACTED]

25X1

--The Twelve resolved that their citizens and industry should not take commercial advantage from measures implemented by other states in reaction to terrorist attacks. [REDACTED]

25X1

--The Twelve decided to strengthen cooperation to improve their own defenses against terrorism in areas such as security at airports, border controls, visa policies, and the abuse of diplomatic immunity. The EC also has set up a special terrorism working group to coordinate common action. [REDACTED]

25X1

Actions Undermining US Sanctions

--The arms export ban and the other actions make no direct reference to Libya or to US sanctions against Libya. [REDACTED]

25X1

25X1

--EC member states are free to interpret the meaning of the arms ban as they see fit. [REDACTED]

25X1

25X1

25X1

**SUBJECT: Western Europe and Canada: Actions Affecting  
US Sanctions Against Libya**

**Distribution:**

Original - Ms. Nancy DeGumbia  
INR/EC  
Department of State

- 1 - DDI (7E47)
- 1 - NIO/EUR (7E62)
- 1 - NIO/ECON (7E48)
- 1 - D/NESA (6G02)
- 1 - D/EURA
- 1 - DD/EURA
- 2 - EURA Production Staff
- 4 - IMC/CB (7G07)
- 1 - C/EI
- 1 - EI/EI
- 1 - C/WE
- 1 - DC/WE
- 1 - [redacted] WE
- 1 - WE/BBC
- 1 - WE/CM
- 1 - WE/GN
- 1 - WE/IA

25X1

EURA/WE/[redacted] (3 February 1986)

25X1

25X1